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# China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETIN

No 15, 10 JUNE 1985



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## CHINA REPORT

### POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

#### PRC STATE COUNCIL BULLETIN

No 15, 20 JUNE 1985

Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO [PRC STATE COUNCIL BULLETIN] in Chinese No 15, 10 Jun 85

[This volume contains selected translations from the PRC STATE COUNCIL BULLETIN. Items marked [previously published] and [previously covered] have appeared in other JPRS or FBIS publications, and are cross-referenced wherever possible.]

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PROVISIONAL REGULATIONS ON TOURIST AGENCY CONTROL (PROMULGATED BY THE STATE COUNCIL ON 11 MAY 1985)

(Guofa [0948 4099] 1985 No 70)

Beijing STATE COUNCIL BULLETIN in Chinese No 15, 10 Jun 85 pp 477-480

[Text] Article 1. These regulations are specially formulated to strengthen control over tourist agencies, protect the legitimate rights and interests of tourists, and promote the development of tourism.

Article 2. A tourist agency (tourist company or other organization of the same nature, same below) denotes an enterprise established in accordance with the law, has the status of a legal person and conducts the business of soliciting and receiving tourists and organizing tourist activities, and operates as an independent accounting unit.

Article 3. A tourist agency should conduct its operation and activities in accordance with the principle of promoting friendly contacts among peoples, enriching socialist cultural life, and making socialist tourism prosper. A tourist agency should also stimulate the material and the spiritual advancement of civilization.

Article 4. In controlling tourist agencies, tourist administrative and management departments shall implement the principle of unified leadership, administration level by level and decentralized management.

Article 5. Except otherwise stipulated in these regulations, the definition of the following terms in these regulations are as follows:

- 1) "Solicit" denotes the work of a tourist agency in publicizing and promoting its business at home and abroad and in organizing and soliciting tourists within the scope of business approved by the responsible department.
- 2) "Receive" denotes the practice of a tourist agency arranging accommodation, boarding, communications facilities, travel schedules and tours at the request of tourists.
- 3) "Tourist administrative and management department" denotes the State Tourist Bureau, provincial, regional and municipal tourist bureaus and the corresponding administrative organs in cities and counties.

Article 6. Tourist agencies are divided into three categories according to different scopes of operation and business:

The first category: the tourist agencies that solicit and receive foreigners, overseas Chinese, Hong Kong and Macao and Taiwan compatriots from abroad who come to, return to or visit China as tourists;

The second category: the tourist agencies that do not solicit customers abroad, but merely receive foreigners, overseas Chinese, and Hong Kong, Macao and Taiwan compatriots, who have been organized by the first category of tourist agencies or the foreign affairs departments to come to, return to or visit China as tourists; and

The third category: the tourist agencies engaged in domestic tours for Chinese citizens.

Article 7. The following conditions must exist for establishing and running a tourist agency of the first or the second category:

- 1) It must have a travel agency charter that conforms to state regulations;
- 2) It must have a definite organization and legal representative and a fixed office to carry out its business and be equipped with the necessary telecommunications facilities;
- 3) A tourist agency that solicits and receives tourists from abroad must have over 500,000 yuan in registered capital; while a tourist agency that receives tourists alone must have over 250,000 yuan in registered capital.
- 4) It must have the organizational capability to provide tourists with qualified room, board and transportation and other services;
- 5) It must have management and staff who are able to ensure quality service and normal business activities and who are familiar with tourist business and interpreters and guides who have passed examinations for their qualification.

Article 8. The following conditions must exist for establishing and running a tourist agency of the third category:

- 1) It must have a travel agency charter that conforms to the state regulations;
- 2) It must have a fixed office to conduct business;
- 3) It must have over 30,000 yuan in registered capital;
- 4) It must have the organizational capability to provide tourists with qualified service in accordance with the scope of its operation and business; and

5) It must have management and service personnel who are familiar with the tourist business.

Article 9. A local application for the establishment and operation of a tourist agency of the first category should be submitted to the provincial, regional or municipal tourist bureau concerned and be reported to the State Tourist Bureau for examination and approval; and the application by a department at central level should be submitted to the State Tourist Bureau for examination and approval.

After obtaining approval from the tourist administration and management department, the tourist agency mentioned in the preceeding paragraph must apply for register in accordance with the procedures stipulated in the State Industrial and Commerical Administration Regulations. It is not allowed to start business until it has obtained the approval and been issued a business license.

Article 10. A local application for the establishment and operation of a tourist agency of the second category must be examined and approved by the provincial, regional or municipal tourist bureau concerned; and the application by a department at central level should be examined and approved by the State Tourist Bureau.

After obtaining approval from the tourist administration and management department, the tourist agency mentioned in the preceeding paragraph must apply for registration in accordance with the procedures stipulated in the State Industrial and Commercial Administration Regulations. It is not allowed to start business until it has obtained the approval and been issued a business license.

Article 11. An application for the establishment and operation of a tourist agency of the third category should be submitted to the local tourist administration and management department concerned for examination and approval. The agency is not allowed to start business until the approval is checked and registered by the local industrial and commercial administration department and until a business license has been granted to the agency.

Article 12. A tourist agency of the first category which sets up or closes down its branch office abroad or in Hong Kong or Macao must first apply to the State Tourist Bureau for examination and approval.

Article 13. A tourist agency of any foreign country or of Hong Kong or Macao is not allowed to set up any branch office in China without the approval of the State Tourist Bureau. The branch office that has been set up with the approval from the Bureau is not allowed to solicit or receive tourists.

Article 14. The basic functions of a tourist agency are:

- 1) to sign contracts or agreements with relevant business units and carry out tourist business in accordance with state laws and decrees and with general and specific policies of the tourism business;
- 2) to draw up tourist schedules and conduct activities to solicit customers in accordance with unified plans and in light of market demands;
- 3) to arrange accommodations, transportation and tourist activities in accordance with schedules selected by tourists;
- 4) to employ necessary interpreters and guides for tourists;
- 5) to improve administration and management, raise the level of service, listen to criticism and suggestions of tourists, and examine and handle violations of regulations and discipline by employees; and
- 6) to conduct agent business related to tourism.

Article 15. In conducting transactions with civil aviation, railways, and transportation departments, hotels, taxi and bus companies and other business departments or with other tourist agencies, a tourist agency must observe the regulations of the "PRC Law of Economic Contract" (published in 1981 in issue No 26 of this bulletin), and should sign certain formats of economic agreement or contract with them under the principle of equality, mutual benefit, agreement through negotiation, and exchange of equal value.

Article 16. A tourist agency should strictly observe state laws and regulations, implement general and specific policies related to tourist work, strictly implement its financial and management systems, and pay taxes and other charges in accordance with regulations.

Article 17. A tourist agency should strengthen educating employees in observing discipline and law and in professional ethics and intensifying their professional training. It should continue to improve the quality of its employees to meet the demand of a developing tourism business.

Article 18. A tourist agency or its employees are not allowed to receive rebates or other remuneration from shops and catering units that provide tourist goods. A shop or catering unit that provides tourist goods is not allowed to pay any rebate or other remuneration to any tourist agency or its employees. Offenders should be given administrative or disciplinary punishment by responsible departments.

Article 19. A tourist agency should accept the management, guidance, supervision and inspection of tourist, price, taxation, and industrial and commercial administration departments.

Article 20. When a tourist agency ceases operation and closes down, it should cancel registration at the tourist administration and management departments and at industrial and commercial administration departments.



Article 21. The tourist administration and management departments will properly reward tourist agencies and employees as individuals who have conscientiously implemented these regulations and have made major contribution and scored noticeable achievements in improving administration and management and the quality of services.

Article 22. Those violating these regulations, conducting tourist business without approval from responsible departments or undergoing the procedures of registration, transferring business licenses without authorization, committing fraud against tourists, or earning illicit profits, the tourist administration and management departments should fine the managers or the directly responsible persons of the tourist agency or order the tourist agency to suspend its business and consolidate itself in light of the seriousness of the offense. If the offense is serious, the industrial and commercial administration department shall punish the tourist agency by confiscating its illicit income, revoking its business license, and ordering it to stop its operation.

Article 23. The State Tourist Bureau is responsible for the interpretation of these regulations.

Article 24. These regulations shall take effect from the day on which it is promulgated.

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